III. REMARKS

Claims 1-3 and 5-11 remain pending. Applicants have amended claims 1, 2, 3, 5 and 9. Claims 12-37 have been withdrawn. Applicants do not acquiesce in the correctness of the rejections and reserves the right to present specific arguments regarding any rejected claims not specifically addressed. Further, Applicants reserve the right to pursue the full scope of the subject matter of the claims in a subsequent patent application that claims priority to the instant application.

Claims 2, 3, 5 and 10 have been rejected under 35 USC § 112, second paragraph, as being indefinite. Specifically, the Examiner asserts there is insufficient antecedent basis for "The system of claim 1." Applicants have amended claims 1-3 and 5 to recite a "fraud detection system" which necessarily includes the other systems in the claims. Support for this amendment is found in Figure 1 and on page 8, first paragraph. The Examiner asserts claim 10 is indefinite for the phrase "the SPDU prevents observation… selected." Applicants have amended claim 10 to recite "prevents observation by an outside observer." Support for this amendment is found on page 11, line 17-20. Applicants respectfully request withdrawal of the 35 USC § 112 rejections.

Claims 1-3 and 5-11 have been rejected under 35 USC § 103(a) as being unpatentable over Zeigler (US Pub. 2004/0044739), hereinafter "Zeigler", in view of Douceur et al. (US Pub. 2004/0060042), hereinafter "Douceur", further in view of Tochikubo et al. (US Pat. 7,096,357), hereinafter "Tochikubo". Applicants respectfully traverse this rejection.

The Examiner asserts that Zeigler teaches a plurality of surveillance algorithms and cites paragraph [0054]. It is asserted that this passage is mischaracterized by the Examiner. Paragraph [0054] states the ATM shell may perform several securing functions. The enumerated functions are "generat[ing] a digital signal", "authenticat[ing] the terminal", "unload[ing] itself if

fraud is detected." In addition, the ATM shell can "force and upgrade and "validate itself." However, a thorough review of this passage reveals no support for "a plurality of surveillance algorithms stored in an encrypted database wherein the plurality of surveillance algorithms make a determination regarding a probability that inputted transactions are fraudulent." In fact, the ATM shell of Zeigler is a piece of software downloaded by a merchant and customer. The ATM shell, after execution allows transmission of an ATM session plug-in which allows funds to be transferred from the customer to the merchant using debit networks rather than credit card networks (paragraph [0037-0045, 0125]). Thus, Applicants assert, that Zeigler never teaches or suggests a plurality of surveillance algorithm for detecting fraud.

Moreover, the Examiner admits that Zeigler does not show "a selection program for selecting at each of a sequence of random times a different surveillance algorithm to be used by the analysis system." The Examiner cites Douceur as showing random selection with a predefined correlation coefficient and calculation of the coefficient from already generated random values. The Examiner concludes it would be obvious to have modified the teachings of Zeigler to add calculations and selection method of Douceur so that a comparison of the predefined rho and the calculated rho would trigger an alert as taught by Zeigler if the difference exceeded a threshold. Applicants assert the combination of Zeigler and Douceur could not produce the instant invention. As detailed above, Zeigler does not teach a plurality of surveillance algorithms. Douceur is concerned with improving the working set of a program image (Abstract), so it is not related to detecting fraud and is non-analogous art. Furthermore, the random selection referred to by the Examiner is that the "*algorithm* has random selection aspects, each time the *algorithm* is invoked a different layout is typically generated (paragraph 0050]). Thus, the algorithm of Douceur is used to generate various layouts, the plurality of

layouts producing a variety of program images which are used to calculate the standard deviation and normal coefficient. These values are used to determine the tradeoff between generating additional layouts and the associated computational expense versus the expectation of incremental improvement of further layouts. Thus, Douceur does not teach "a selection program for selecting at each of a sequence of random times a different surveillance algorithm to be used by the analysis system." Thus, the combination of Douceur and Zeigler do not render the present invention obvious.

Tochikubo is cited for showing encrypted storage of algorithms. However, Tochikubo does not correct the deficiencies of the Zeigler/Douceur combination. Therefore, Applicants assert a proper prima facie obviousness rejection has not been presented and withdrawal of the rejection is requested.

Applicants respectfully submit that the application is in condition for allowance. If the Examiner believes that anything further is necessary to place the application in condition for allowance, the Examiner is requested to contact Applicants' undersigned representative at the telephone number listed below.

Respectfully submitted,

/Carl F. Ruoff/

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